Tapping the Potential:
A Statistical Profile of Ottawa's Immigrant Workforce

Background report for
Joint Project on Integrating Foreign
Trained Workers into the Labour Market

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To achieve its full potential, Ottawa must attract, maintain, and effectively utilize an already impressive, but still growing, pool of highly talented workers. This talent resource is essential to building on the city's past successes, and to seizing new opportunities as global economic conditions return to more favourable conditions.

Ottawa already boasts the competitive advantages of the most highly educated workforce of any major metropolitan area in Canada. According to the 1996 Census, nearly two-thirds (65%) of Ottawa's 25 to 64 year-old workforce possessed some form of post-secondary certificate, diploma or degree. More than one-third (34%) held a university degree.

Contributing to this pool of talent is the city's immigrant population. Each year, thousands of immigrants come to Canada and choose to settle in Ottawa. Many are highly educated workers and skilled professionals. The 1996 Census showed that 68% of the recent immigrant workforce aged 25 to 64 had a post-secondary education, and 43% held a university degree. Today, immigrants coming to Ottawa are even more likely to have post-secondary credentials. According to the department of Citizenship and Immigration 2001 landing records, 51% of immigrants intending to settle in Ottawa held a university degree.

While most immigrants find success in the Ottawa labour market, an alarming number are unable to put their skills and education to full use. Often for newcomers, there are barriers and challenges in having their foreign-obtained qualifications and work experience recognized. This results in a costly and ineffective transition into the labour market and a dramatic underutilization of available talent. Indeed, one of the 10 key challenges identified in the second *Ottawa Works* report, *Profiling Ottawa's Workforce*, (Centre on Governance at the University of Ottawa) is the *underutilization of foreign-trained professionals*. Addressing this challenge will be an important part of the city's emerging Workforce Development Plan.

In an effort to address this issue, the Ottawa Foreign Trained Workers Project has been launched, under the partnership of the United Way/Centraide Ottawa, the Canadian Labour and Business Centre and LASI World Skills. The overall goal of the project is to develop a community-based strategy aimed at facilitating the accreditation and integration of foreign trained workers into the Ottawa economy.

As a first step in this project, the research team has crafted a statistical profile that highlights the role of immigration in Ottawa's workforce landscape. Data for the profile has been drawn from the Census[1], CIC administrative data, local HRDC offices, and from the databases of Ottawa's immigrant servicing agencies. The resulting profile

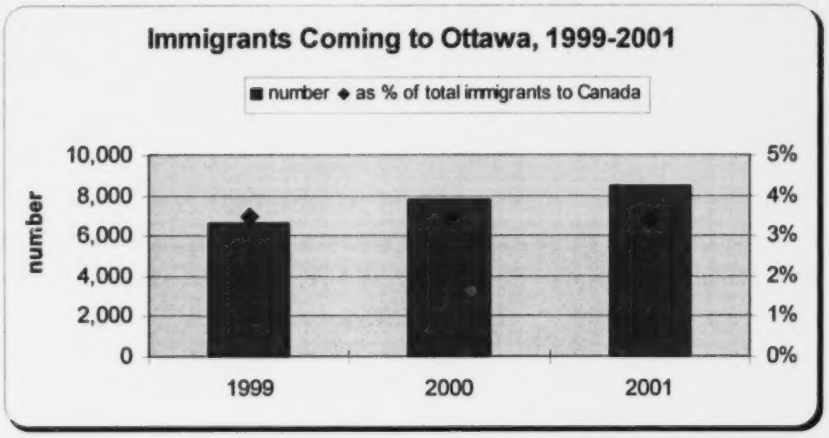
[1] Where possible, 2001 Census results have been used. Statistics derived from the 1996 Census will be updated as information becomes available.

demonstrates the importance of immigration to population growth and the current labour force, highlights the education and skill levels of immigrants settling in Ottawa, and illustrates the underutilization of foreign-trained talent.

1. Importance of Immigrants to Community, Labour Force and Economy

How many immigrants come to Ottawa each year?

In 2001, 8,448 immigrants made Ottawa their new home. This number is up somewhat from the 7,772 who arrived in 2000, and the 6,577 who came in 1999. The increased number of immigrants coming to Ottawa is consistent with the increased number of immigrants coming to Canada (189,922 in 1999 to 250,346 in 2001). As a result, the percentage of Canada's immigrants who settle in Ottawa has remained at about 3% over the past few years.



Compared with other cities such as Toronto or Montreal, the number of immigrants coming to Ottawa each year is relatively small. However, the number of immigrants settling in Ottawa is greater than cities such as London, Winnipeg, and Edmonton, and slightly below the number settling in Calgary.

Immigrants and Population, Selected Metropolitan Areas, 2001

Census Metropolitan Area	Population in 2001	Immigrants Arriving in 2001	Immigrants Arriving as Percent of Population
Toronto	4,682,897	125,061	2.67
Vancouver	1,986,965	34,165	1.72
Montreal	3,426,350	32,366	0.94
Calgary	951,395	10,169	1.07
Ottawa	**806,096**	**8,448**	**1.05**
Edmonton	937,845	4,580	0.49
Winnipeg	671,274	3,742	0.56
Hamilton	662,401	2,767	0.42
London	432,451	1,955	0.45
Halifax	359,183	1,381	0.38

Source: Census of Canada, 2001 and Citizenship and Immigration Canada

Immigration is a Major Contributor to Ottawa's Population Growth

Over the past twenty years, immigration has become an increasingly important part of Ottawa's population growth. During the 1980s, 23% of the city's population growth resulted from immigration. In the first half of the 1990s, immigrants accounted for 35% of the growth in Ottawa's population. The latest Census shows that between 1996 and 2001 immigration made up an even bigger share (38%) of population growth.

Did You Know...?

Each year, Ottawa receives more immigrants than all of the Atlantic provinces combined.

In 2001, Ottawa attracted about the same number of immigrants as the cities of Winnipeg, Hamilton and London - combined.

Between 1981 and 2001, Ottawa's immigrant population increased by 86% - twice the rate of Ottawa's non-immigrant population (41%).

The 2001 Census tells us that 168,120 immigrants live in the Ottawa Metropolitan Area (this does not include the roughly 8,000 non-permanent residents living in Ottawa, such as foreign students or foreign temporary workers).

Like the Canadian-born population, Ottawa's immigrants are divided more or less equally between women and men (52% are females). Unlike the Canadian-born population however, Ottawa's immigrant population is more likely to be comprised of so-called "working-age" adults; that is, persons between the ages of 25 and 64. Sixty-nine per cent of immigrants are this age, compared with 53% of the Canadian-born. Recent immigrants are most likely to be between the ages of 25 and 44[2].

Immigrants make up a growing share of Ottawa's population

As Canada's capital, a magnet for high tech, and with two world class universities, Ottawa is no stranger to migrants. Some come from abroad, and some from other parts of Canada. In fact, the number of Ottawa residents born in a province other than is actually larger than the city's immigrant population!

First-generation immigrants – from countries other than Canada – make up one out of five area residents (21%). This is up slightly from 17% in 1981.

Of course, many of Ottawa's immigrants have lived in Canada for a long time - about 40% for more than 20 years. On the other hand, 38% of Ottawa's immigrants have lived in Canada for 10 years or less. These recent immigrants make up about 8% of the City's overall population.

[2] Age statistics based on 1996 Census data. National level data from the 2001 Census also shows that the majority of recent immigrants are working age.

Bringing the world to Ottawa: Top ten places of birth of recent immigrants

Immigrants from all over the world come to live in Ottawa. They bring with them diverse languages and traditions, as well as education, skills and work experience gained abroad. Among Ottawa's recent immigrants — those arriving in Canada after 1990 — the most common source country is the People's Republic of China, followed by Somalia and Lebanon. Ten countries account for about one-half of Ottawa's recent immigrant population. Nearly three-quarters (74%) of recent immigrants are members of a visible minority.

Principal Source Countries: Immigrants Arriving in Canada 1991-2001and Living in Ottawa

Place of Birth	Number	Percentage
China, People's Republic of	9,125	14.3
Somalia	3,830	6.0
Lebanon	3,150	4.9
Yugoslavia, former*	3,095	4.8
India	2,720	4.3
Philippines	2,320	3.6
Iran	1,895	3.0
United States	1,850	2.9
United Kingdom	1,550	2.4
Viet Nam	1,480	2.3
Total of Top Ten countries	31,015	48.5
All other countries	32,930	51.5
Total	63,945	100.0

* Includes Bosnia-Herzegovina, Croatia, Macedonia, Slovenia, and Yugoslavia.
Source: 2001 Census

Immigrants are an Important Part of Ottawa's Labour Force Growth

According to Citizenship and Immigration landing records, 70% of immigrants aged 15 and over who intend to settle in Ottawa also intend to seek employment (the remaining 30% include spouses, students, and retired persons). These new labour force participants make a significant contribution to the growth of Ottawa's workforce. Over the three year period spanning 1999 to 2001, more than 12,000 new immigrants intended to seek employment, accounting for at least 20% of the growth of the Ottawa-Hull labour force. In 2001 new immigrants intending to work accounted for nearly one-third of the region's labour force growth. As impressive as these figures are, they actually under estimate the contribution of immigrants to labour force growth by not counting earlier immigrant children who join the area's labour force after completing their education in Canada.

Through their workforce participation, immigrants make a significant contribution to Ottawa's economy. In 1995, Ottawa's immigrant population generated a total of $2.7 billion dollars in wages, salaries and self-employment income[3] – money that feeds back into the community through the purchases of goods and services and contributions to the municipal tax base.

[3] According to the 1996 Census, 78,050 Ottawa area immigrants had income from wages and salaries in 1995, averaging $31,259. An additional 11,065 immigrants had self-employment income averaging $21,320. The total aggregate earnings of immigrants is calculated by multiplying average earnings by the number of immigrants with earnings.

2. Education, Skills and Experience of Recent Immigrants

Are Skilled Immigrants Coming to Ottawa?

Of all immigrants to Canada during the 1999 to 2001 period, approximately 23,000 or 3.4% intended to settle in the Ottawa Metropolitan area. The majority of these immigrants (51%) were between the ages of 25 and 44. About one-quarter (23%) were children less than 15 years of age, and a further 14% were youth aged 15 to 24. The remaining 12% were aged 45 and over.

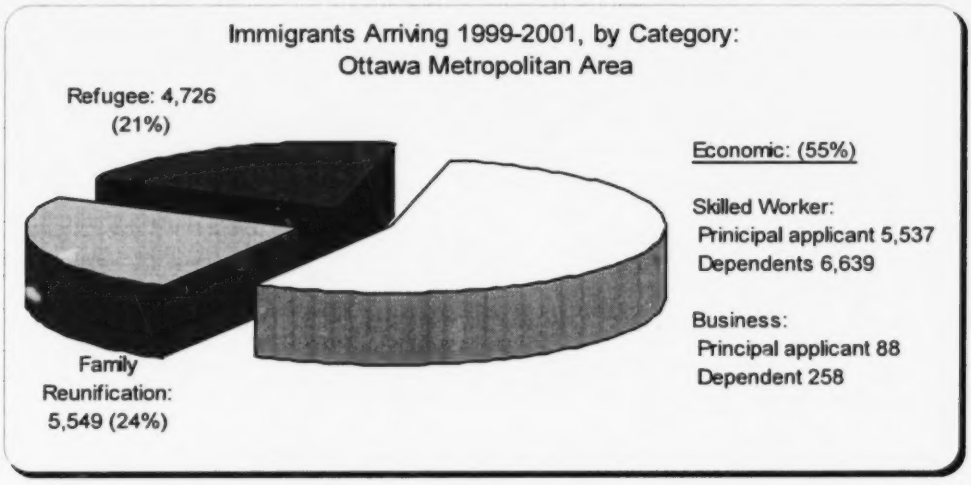
Three Basic Categories of Immigrants reflect the basic goals of Canada's immigration system: family reunification, economic benefit to Canada, and humanitarian commitment.

Family Class immigrants are persons who are sponsored by a close family member such as a spouse, fiancé, dependent child, parent or grandparent who is already a Canadian citizen or resident.

Economic class immigrants consist of two groups: skilled worker and business immigrants. This class of immigrants is selected for their economic contribution to Canada.

Refugee class immigrants – includes Convention refugees and other displaced persons resettled from abroad.

Irrespective of their age, immigrants enter Canada through one of three basic categories. Of the 23,000 immigrants intending to settle in Ottawa between 1999 and 2001, about one-half (53%) were skilled workers (and their dependents), selected for the knowledge, skills and experience needed in Canada's labour market. About 2% of immigrants to Ottawa fell under the business class, which includes investors, entrepreneurs and self-employed immigrants. About 5,500 immigrants (24% of total) came to Ottawa to join close family members. Refugees made up about 21% of immigrants settling in Ottawa between 1999 and 2001.

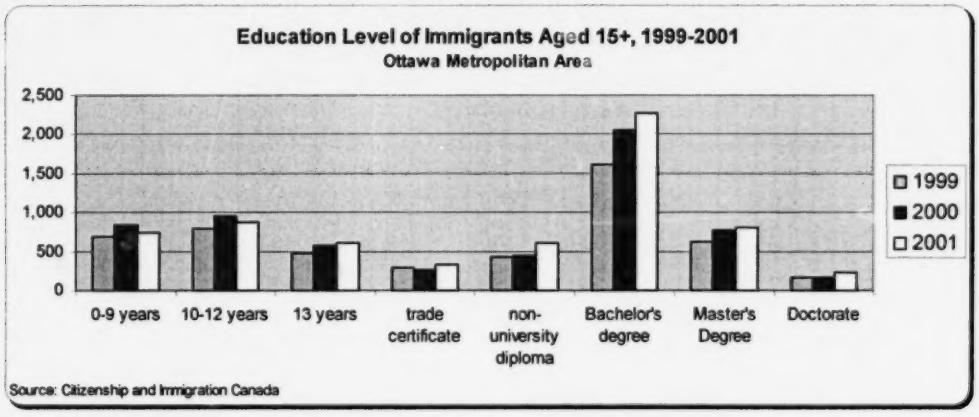


Over the past three years, there has been a sharp (44%) increase in the number of immigrants to Ottawa entering through the skilled worker category. Immigrants in this

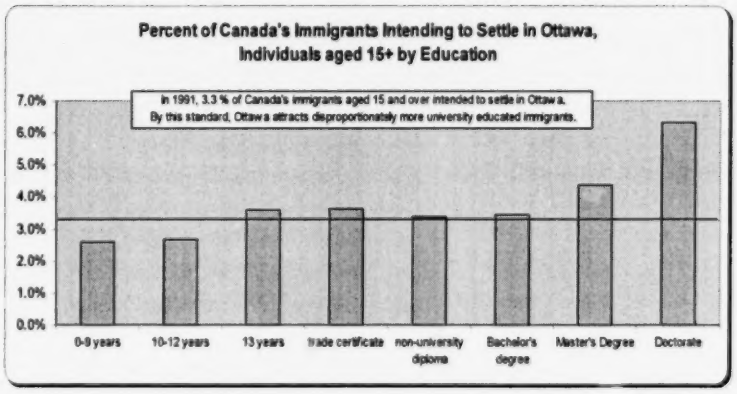
category include "principal applicants" who are selected based on an assessment of skills and domestic labour market demand, and their "dependents" such as spouses or children.

Immigrants Contribute to Ottawa's Highly Educated Workforce

New immigrants make an enormous contribution to the pool of people in Ottawa with post-secondary qualifications. The number of new immigrants coming to Ottawa in 2001 with a bachelor's degree – 2,276 – is roughly equivalent to the total number of BAs granted by Carleton University in that same year. Similarly, the number of immigrants with a doctorate, at 223, exceeded the annual number of Ph.D.s granted by Carleton University and the University of Ottawa combined. In total, 51 per cent of new immigrants in 2001 held a university degree. A further 15 per cent held some other form of post-secondary credential such as a non-university diploma or trade certificate. The mix of education levels among new immigrants in part reflects the selection process and basic goals of Canada's immigration system. Refugees for example, are far less likely to have a university degree than immigrants entering Canada through the skilled worker stream.



It may also be significant to note that in the past three years, the number of new Ottawa-bound immigrants holding a university degree has increased from 2,410 in 1999 to 3,309 in 2001 — a 37% increase. Ottawa has been particularly



successful in attracting immigrants with university, and in particular, graduate level degrees. In 2001, 6.3% of all Canada's new immigrants with a Ph.D. intended to settle in Ottawa, almost twice the overall Ottawa settlement rate of 3.3%.

In a comparison of the 26 largest metropolitan areas in the country, Ottawa ranks number one in terms of the proportion of its 25-64 year old workforce with post-secondary credentials. Ottawa's highly educated immigrant workforce contributes to this top ranking. In fact, under the purely hypothetical scenario in which no immigrants came to Ottawa, Ottawa's rank would fall to #3. This is because Ottawa's immigrant workforce tends to have somewhat higher levels of educational attainment than its Canadian-born workforce.

What kind of skills?

Most immigrants enter Canada through the skilled worker immigration stream. To qualify as a skilled worker, principal applicants must have a minimum of one year of full-time work experience in a managerial, professional, technical or other skilled occupation as outlined by Canada's National Occupational Classification system. Importantly, Citizenship and Immigration Canada restricts certain occupations to safeguard the Canadian labour market by making sure that Canada does not have too may people with the same skills. In addition, skilled worker applicants are evaluated by a point system which takes into consideration level of education, official language proficiency, amount of work experience; age, whether the applicant has arranged employment, and adaptability, which includes such things as spouse's level of education. As a result of this selection and evaluation process, immigrant skills usually reflect the needs of the Canadian labour market.

Persons aged 25 to 64 with Post-secondary qualifications, Showing Major Field of Study Ottawa Metropolitan Area, 1996 Census

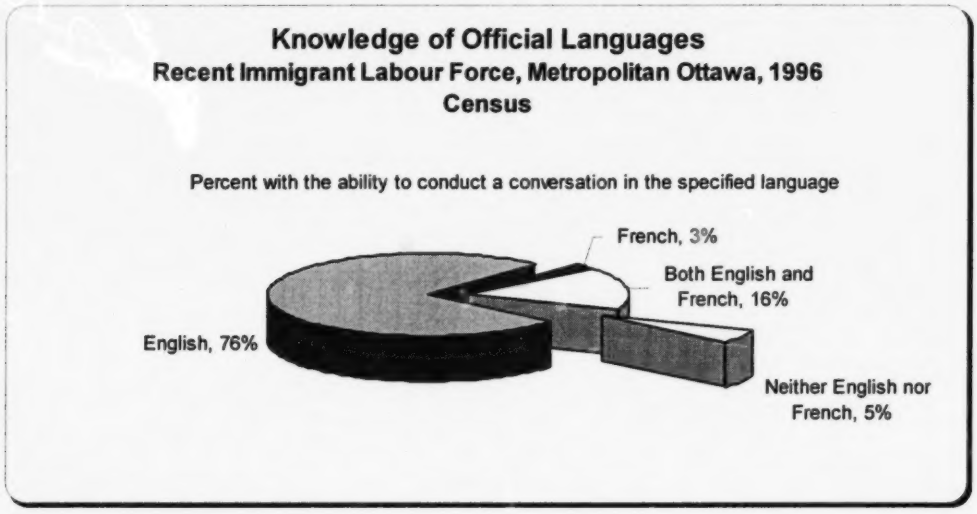
	Immigrated 1991-1996	Canadian-born
Number with post-secondary qualifications	12,145	188,665
Physical Sciences, engineering and trades	**44%**	**30%**
Agricultural and biological sciences	4%	3%
Engineering, Applied Sciences and Trades	28%	21%
Physical Sciences and Mathematics	12%	5%
Health Professions, Sciences and Technologies	**10%**	**10%**
Commerce, Management and Business Admin	**16%**	**22%**
Social Sciences, Education and Arts	**30%**	**38%**
Educational, recreational & counseling services	7%	9%
Fine and Applied Arts, Humanities and related	13%	13%
Social Sciences and related fields	10%	16%
Total	**100%**	**100%**

A profile of the academic backgrounds of Ottawa's recent immigrant with post-secondary credentials (based on 1996 Census data) shows that they are more likely than the Canadian-born population to have majored in the physical sciences, engineering and trades (44% compared to 30%). One in ten recent immigrants with a post-secondary degree or diploma majored in a health related field – the same proportion found among Ottawa's Canadian-born population.

Language Skills

According to Citizenship and Immigration Canada landing records, the majority (75%) of new arrivals intending to seek employment in Ottawa possess language abilities in at least one of Canada's two official languages. About 10% can speak both English and French. However, a sizable share of newcomers (25%) does not have language ability in either English or French. As a result, many immigrants seek language training to upgrade their skills and improve their employment prospects.

Evidence suggests that after a relatively short-time in Canada, the vast majority of recent immigrants have working knowledge of English or French. For example, the 1996 Census indicates that 95% of Ottawa's recent immigrant workforce – that is, people arriving in Canada between 1991 and 1996 and seeking employment in Ottawa – had language abilities in at least one official language.

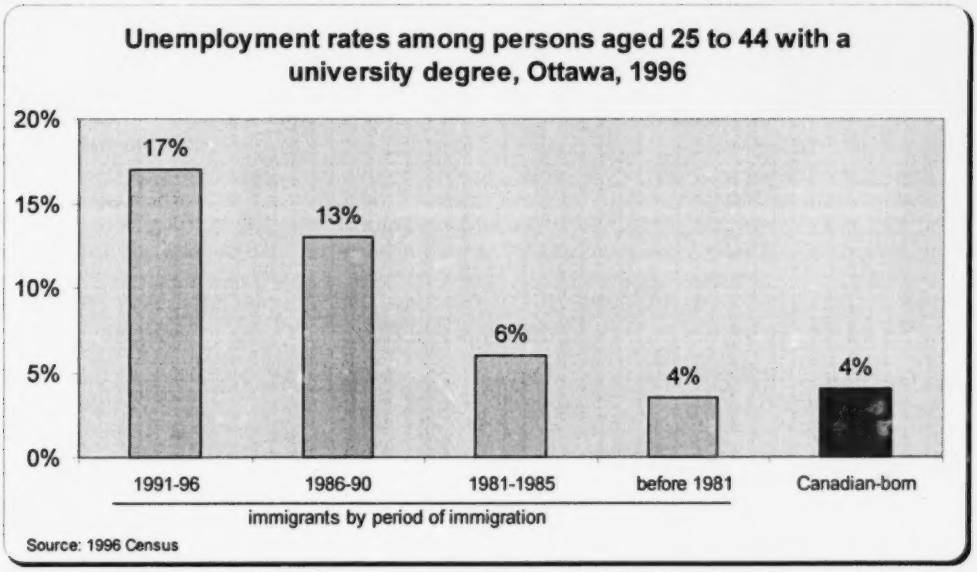

Knowledge of Official Languages
Recent Immigrant Labour Force, Metropolitan Ottawa, 1996 Census
Percent with the ability to conduct a conversation in the specified language
French, 3%
Both English and French, 16%
English, 76%
Neither English nor French, 5%

3. The Problem of Skills Recognition and Skills Underutilization

Problems acquiring Canadian recognition for qualifications obtained in other countries negatively affect the employment prospects of new immigrants. The licensing bodies of various trades and professions may not accept foreign obtained certification, and employers may have difficulty assessing educational credentials or may undervalue foreign work experience. Unfortunately, these difficulties too often result in an underutilization of immigrant skills.

Higher Levels of Unemployment

Failure to recognize immigrant credentials contributes to higher levels of unemployment. Data from the 1996 Census shows that in Ottawa, recent immigrants aged 25 to 44 with a university degree are four times more likely that their Canadian-born counterparts to be unemployed (17% compared with 4%). Only after a period of 10 years does the unemployment rate among university educated immigrants fall to the same level experienced by the Canadian-born population. While it is reasonable to expect that new immigrants will experience a transitional period of adjustment, the clear policy objective should be to reduce any barriers that unnecessarily prolong labour market integration. Addressing licensing and certification barriers is an important part of achieving this objective.



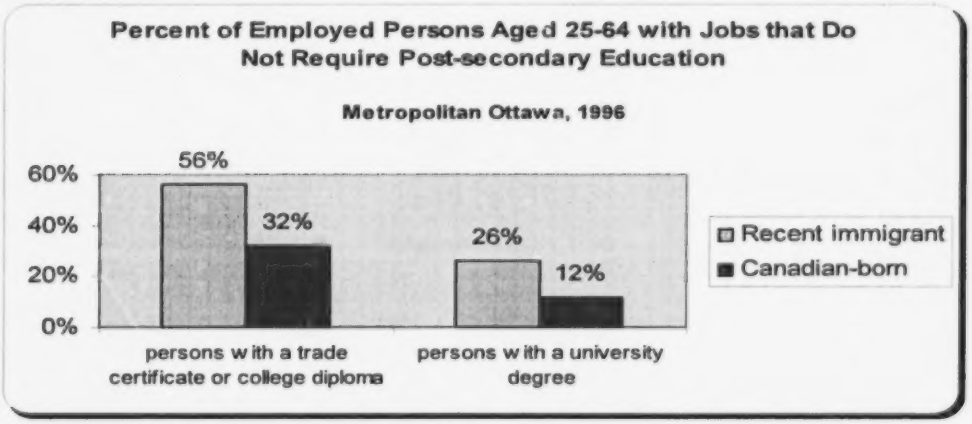
A Poor Match between Jobs and Skills

Failure to recognize immigrant credentials also means that many immigrants are unable to obtain work in their area of expertise, and consequently end up in "survival jobs" in

which their knowledge and training go untapped. This can be demonstrated by comparing the level of education immigrants have attained with the level of education required by the jobs they hold[4].

Among employed recent immigrants in Ottawa who have a trade certificate or college diploma, 56% have jobs that typically do not require post-secondary education (38% have jobs requiring secondary school graduation only, and a further 18% have jobs that usually require no formal education).

More than one out of four university trained recent immigrants is employed in occupations that typically require only high school (18%) or no formal education (8%). Although this "mis-match" between educational attainment and job skill requirements is also found among the Canadian-born population, it is much less pronounced. For example, 26% of employed recent immigrants with a university degree have jobs requiring high school or less. The comparable figure for the Canadian –born population is 12%. In short, Ottawa's university educated recent immigrant population is twice as likely as the university educated Canadian-born population to have jobs that do not require a post-secondary education.

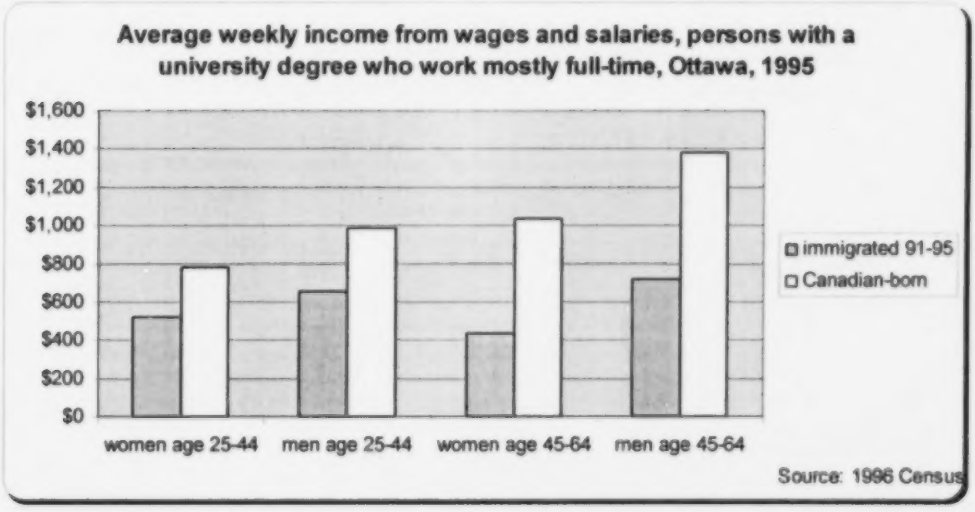


Cost of under-utilizing of immigrant skills

[4] Under Canada's National Occupational Classification System, jobs are grouped into four basic skill levels. Skill level I refers to occupations usually requiring university education such as engineers, lawyers, physicians, registered nurses and teachers. Skill level II includes occupations that usually require a college education or apprenticeship training. Skill level III refers to occupations that usually require secondary school and/or occupation-specific training. Skill level IV includes jobs that usually require a short work demonstration but no formal educational requirement (cleaners, kitchen helpers, trades helpers, etc.).

There are many direct and indirect costs associated with the underutilization of immigrant skills. When foreign-trained professionals are unable to access the occupations for which they have been trained, they typically end up with lower paying jobs and employment that is less stable. Among Ottawa's full-time university educated workforce, for example, the weekly wages of recent immigrants are significantly lower than Canadian-born residents. This not only affects the economic well-being of immigrants and their families, but the larger community as well through reduced consumer spending and greater social and community service requirements. Moreover, the local economy loses out on the contribution of skilled immigrants in key areas of labour market need.

> A recent national study by University of Toronto Professor Jeffrey Reitz estimated the lost earnings associated with under-utilizing immigrant skills to be in excess of $10 billion per year.
>
> "Immigrant Skill Utilization in the Canadian Labour Market: Implications of Human Capital Research" *Journal of International Migration and Integration* 2(3), 2001.



A World of Skills

Within the city of Ottawa, a coalition of local agencies serving immigrants (LASI) attempts to match the job requirements of local employers with the skills and talents of new Canadians. As part of its efforts, LASI administers the World Skills Employment Program for New Canadians, which identifies, prepares and presents immigrant job candidates to prospective employers. To assist in this work, World Skills maintains a database of clients, consisting of unemployed and underemployed immigrants searching for work that matches their skills, training and education. Analysis of this database provides further illustration of the underutilization of local immigrant talent.

Since 1999, World Skills has registered 4,630 immigrants in its database[5]. Nearly three-quarters of these people (73%) hold some form of post-secondary credential, ranging from trade certificates to doctorates. More than one-half of the database entries (59%) are people holding university degrees at the Bachelor's level or higher.

World Skills Employment Program Registrations by Education Level, 1999-2003

Highest Educational Attainment	Number	Percent
Doctorate	172	4
Masters Degree	789	17
Bachelors	1,775	38
College diploma or non-university certificate	525	11
Trade certificate	107	2
Other	33	1
Sub-total (with post-secondary credentials)	3,401	73
Some college or university	198	4
Secondary school complete	334	7
Less than secondary	22	1
Education not recorded	675	15
Total	4,630	100

Source: LASI - World Skills, Ottawa

Immigrants registered in the World Skills database have been educated in a wide range of academic disciplines. The most commonly cited field of study among those with a university degree is computer science and computer engineering – with 354 immigrants having a degree in this area. About one-third of these computer scientists (113 people) have a post-graduate degree (Masters or PhD).

The World Skills database also contains over 600 records of immigrants with degrees in engineering, including electronic, mechanical, civil, and chemical engineering. More than 30% of these engineers have degrees at the post graduate level, and about one out of ten received their degree from a Western Universities. Others have received degrees from respected universities abroad.

4. Tapping the Potential: Immigrants and Ottawa's Workforce Challenges

Faced with a looming labour shortage as the birthrate falls, Canada scours the world for skilled workers every year – we woo them, test them, charge them a lot of money and then choose the best of the crop. So why, after these professionals and tradespeople finally get here, do

[5] This does not include a separate database for teachers, with 536 entries, or a foreign-trained doctors database with 180 registered entries (maintained by Catholic Immigrant Services, a LASI partner).

we roll out the red tape instead of the red carpet? Globe and Mail, January 8, 2003.

Immigrants make up a significant and growing share of Ottawa's workforce. Each year, thousands of highly educated professionals make Ottawa their home. Unfortunately, many of these newcomers face a difficult and lengthy transition into careers and positions commensurate with their education and skills. For some, the transition never happens.

Problems of credential recognition by professional and regulatory bodies, lack of training and upgrading opportunities, policy disconnects between federal, provincial and professional bodies, and difficulties gaining relevant Canadian employment experience are some of the difficulties facing foreign-trained professionals[6]. As a result, there is a wealth of available talent in Ottawa that has yet to be tapped.

There is a growing awareness among all three levels of government of the problems facing foreign-trained professionals and of the need to develop strategies to address them. For example:

The federal government cites the assessment and recognition of foreign credentials as a key challenge of its Innovation Strategy, and in its 2003 federal budget, committed $13 million over two years to work in partnership with provincial and territorial governments to address the issue.

The Ontario government recently invested $15 million in bridge training projects to provide internationally trained Ontarians with skills and knowledge to practice the profession without duplicating what they have learned elsewhere.

The integration and full utilization of foreign-trained professionals is one of 12 recommendations put forward in the *Ottawa Works* report, *Ottawa's Workforce Development Strategy*[7]. The city's Human Services and Talent Plans are developing strategies and initiatives to assess and recognize the credentials of foreign-trained workers.

Within the context of these initiatives, the goal of the Ottawa Foreign Trained Workers Project is to develop a community-based strategy aimed at facilitating the accreditation and integration of foreign trained workers into the Ottawa economy. To set the stage for future phases of the project, this report has provided a statistical overview of Ottawa's immigrant population, highlighting the problem of skills underutilization.

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[6] *Ottawa Works* Report II, *Profiling Ottawa's Workforce*, Centre on Governance at the University of Ottawa.

[7] The report was prepared by the Centre on Governance, University of Ottawa, and funded by the governments of Canada and Ontario.